

STRATEGIC SENIOR OFFICER GROUP**31 OCTOBER 2007****DEVELOPER CONTRIBUTIONS IN LEICESTERSHIRE****REPORT OF LEICESTERSHIRE COUNTY COUNCIL****Purpose of Report**

1. To advise the Group of the progress made in relation to the Statement of Requirements for Developer Contributions in Leicestershire towards Countywide services and infrastructure, and consider mechanisms for advising stakeholders of the realistic opportunities to secure funding. The approved Statement of Requirements for Developer Contributions in Leicestershire (SRDCL) is key policy guidance and it was adopted by the County Council on 6th December 2006.

Policy Framework

2. A substantial element of the costs of infrastructure and community facilities arising from new development, particularly major developments, for example the proposed Sustainable Urban Extensions (SUEs) will need to be secured through developer contributions. This will be an important and valuable source of funds and/or 'in kind' contributions towards essential infrastructure and service provision for the County Council and other public bodies and service providers.
3. The main national policy framework for developer contributions is embodied in the Town and Country Planning Act 1990 (as amended by the Planning and Compensation Act 1991) and Circular 05/2005 - Planning Obligations, provides the 'ground rules' for negotiations. In addition the key County Council (CC) policy is contained within the Leicestershire, Leicester and Rutland Structure Plan (1996 to 2006) under Strategy Policy 11 and the adopted Statement of Requirements for Developer Contributions in Leicestershire (SRDCL).
4. The SRDCL guidelines were adopted in December 2006 and set out the expected levels and types of contributions towards all CC services, including education, highways and transportation, civic amenity sites, library services, country parks, and (where appropriate) museum and cultural planning, adult social care, and other recreational facilities. Guidance on other services includes health facilities, and emergency services. It is intended that it should provide a consistent approach across Leicestershire, and be adopted by each LPA, in support of its own supplementary guidance for its own services.
5. In October 2007 the document completed an interim review in order to update the standard 'rates' for several of the services. A fuller review is planned for early 2008.

Current Progress

6. A County Council Developer Contributions Officer has been in post since the end of July 2007. The key purpose of the post is to improve the co-ordination, effective management and monitoring of the developer contributions/planning obligations process for the County Council. The post also provides the stimulus to pursue opportunities to enhance the overall approach to and value of developer contributions throughout Leicestershire by helping to deliver appropriate community benefits for all and to build on the existing working relationships between the County Council and the district authorities and other service providers on developer contributions for the benefit of local communities.

7. One of the key areas of work will be to engage with and influence the LDF process at the earliest opportunities and assist in the delivery of major development, for example, to ensure the Sustainable Urban Extension (SUEs) are delivered in a sustainable manner and the developer contributions process is part of the delivery mechanism. Furthermore there is scope to consider the securing of appropriate developer contributions through pre-application negotiations and assessment, especially towards significant new development.

Planning Gains Supplement and Planning Charges

8. In December 2006 the Government consulted on its proposals to introduce Planning Gain Supplement (PGS) a new development tax that would be used to fund infrastructure and services requirements arising from new development.

9. The County Council expressed a number of concerns about the implications of PGS for its service provision, specifically in regard to the uncertainties for the redistribution of PGS funds within a two-tier structure and the ability of the County Council as a major service provider to secure the appropriate funding streams at the right time.

10. On the 9th October 2007, the Government announced in its pre budget report that instead of the original proposals for PGS it would be introducing a standardised tariff system (planning charge), across local authority areas. This would be combined with section 106 agreements (for site specific matters) in a forthcoming Planning Reform Bill. Under the tariff system, residential and commercial development would be liable to pay a planning charge, subject to a minimum threshold. The tariff will be based on a cost assessment and fund the infrastructure needs of major developments identified through the development plans process.

New Growth Points Funding

11. New Growth Point (NGP) Funding is to be made available over the next ten years to assist in the delivery of housing in the Three Cities Sub area. The

amount of NGP funding for the Sub area will be announced in December 2007. The funding is intended to attract further investment and bring forward housing development. In view of this the securing of developer contributions will be crucial in the delivery of accelerated housing growth to ensure the required infrastructure and services are provided at the appropriate times. Initiatives will be introduced across the Sub-area, such as setting joint targets for the provision of affordable housing across all 17 local planning authorities. Masterplans will be produced for each major growth location and will set out the expected developer contributions.

12. To help this process the County Council is preparing an Infrastructure Plan for Leicestershire. This should help to enable the infrastructure implications of the Regional Plan and the Local Development Frameworks to be implemented in a co-ordinated way.

Local Area Agreements

13. A new Local Area Agreement (LAA) for Leicestershire is required from April 2008. Its content will be driven by a new Sustainable Community Strategy (SCS) for the county. One of the key areas is to ensure that the places focus of the LAA and Local Development Frameworks are sufficiently aligned. In view of this the District/Borough Councils are being consulted on the SCS and its subsequent drafts. Performance indicators will be a key aspect of the alignment and there are a range of indicators which might provide a context for developer contributions. It is important therefore that in determining the first draft of the SCS and LAA in November/December consideration is given to the way in which indicators could support developer contributions.

The Way Forward

14. The Statement of requirements for Developer Contributions in Leicestershire (SRDCL) is the County Council's key policy document in relation to developer contributions. The statement is reviewed at least once a year which allows the CC to respond and adapt to changing circumstances where necessary.
15. The SRDCL also provides the opportunity to build on the existing working relationships with the Local Planning Authorities and key stakeholders and to forge new ones to ensure the effective management of the developer contributions process across the County and to optimise the development value from the proposed tariff system, Section 106 planning agreements, financial contributions, 'works in kind' or planning conditions. This will address many of the infrastructure and service requirements of the proposed housing growth areas and other major development proposals.